

***McDONNELL DOUGLAS  
REALTY COMPANY***

***HARBOR GATEWAY COMMUNITY CENTER***

## **PROJECT SUMMARY**

- **OWNER/DEVELOPER:** MCDONNELL DOUGLAS REALTY COMPANY
  
- **LOCATION AND SIZE:** 170 ACRES BOUNDED BY 190TH STREET, NORMANDIE AVENUE, AND WESTERN AVENUE, LOS ANGELES.
  
- **PROJECT COMPONENTS:**
  - \* 450,000 SQ. FT. OF RETAIL (POWER CENTER)....15%
  - \* 2,518,000 SQ. FT. OF OFFICE / INDUSTRIAL..... 85%
  - \* 2,968,000 SQ. FT. TOTAL
  
- **FISCAL BENEFITS (Present Value of 10 Year Cash Flow):** **\$19.979.000**

## SITE LOCATION

- AT INTERSECTION OF 405 AND 110 FREEWAYS - 5 MILES FROM COAST.
- EQUIDISTANT BETWEEN LAX; PORTS; WEST LOS ANGELES; DOWNTOWN; AND IRVINE.
- CLOSE PROXIMITY TO DIVERSIFIED LABOR POOL AND VARIED HOUSING TYPES.
- LOCATED IN HEART OF SOUTH BAY, L.A. COUNTY'S CENTER FOR TECHNOLOGY (Aerospace, communications, etc.)\* AND INTERNATIONAL TRADE.

\* TORRANCE IS HEADQUARTERS OF MORE UNDER 1,000 EMPLOYEE TECHNOLOGY COMPANIES THAN LOS ANGELES - 95 VS. 91 (Corptech 1995).

## **MARKET OVERVIEW**

- MARKET STUDIES INDICATE NEED FOR FREEWAY ORIENTED RETAIL POWER CENTER OF UP TO 600,000 SQ. FT.
- NORTH TORRANCE/HARBOR GATEWAY AREA HAS RECYCLED APPROXIMATELY 600 ACRES OF INDUSTRIAL USES SINCE 1980 (Armco, Shell, Reynolds, & U.S. Steel).
- SUBJECT SITE IS ONE OF THE LAST REMAINING AND LARGEST DEVELOPABLE SITES IN CITY.
- L.A. AREA PROJECTED TO HAVE HIGHEST DEMAND IN U.S. FOR INDUSTRIAL SPACE 1995-2005 (Cognetics 1995).
- SOUTH BAY AREA HAS 9% VACANCY IN INDUSTRIAL/R&D SPACE, 17M SQ. FT. VACANT, 10M SQ. FT./YR. DEMAND. (Equates to 400 acres/year in land for new space).
- SHORTAGE OF HIGH QUALITY INDUSTRIAL/R&D SPACE IN CAMPUS ENVIRONMENT. (New Economy Project 1994, CB Commercial 1995, LAEDC 1995.)
- PROJECT LOCATED IN HARBOR ENTERPRISE ZONE PROGRAM AREA; PROVIDES STATE TAX CREDITS.

## **PROJECT DESCRIPTION**

- **THEME: CREATION OF CAMPUS ENVIRONMENT TO ATTRACT OFFICE, INDUSTRIAL AND R&D USERS WHO WOULD OTHERWISE LOCATE IN AREAS SUCH AS IRVINE SPECTRUM.**
- **PROJECT WILL INCLUDE KEY SERVICES SUCH AS FOOD SERVICES, BUSINESS SERVICES AND RETAIL FOR INTEGRATED WORK ENVIRONMENT AND REDUCTION OF ADVERSE TRAFFIC IMPACTS.**
- **DESIGN CONTROLS AND INTEGRATION OF LANDSCAPING AND INFRASTRUCTURE WITH ADJACENT TOYOTA AND ALLIED SIGNAL PROPERTIES WILL CREATE 400 ACRE MASTER PLANNED BUSINESS COMMUNITY.**

## **STATISTICAL SUMMARY**

- 450,000 SQ. FT. OF RETAIL SPACE.
- RETAIL TO INCLUDE 4,000 SEAT THEATER, AND UP TO 8 FOOD SERVICE ESTABLISHMENTS.
- 2,518,000 SQ. FT. OF OFFICE/INDUSTRIAL PARK.
- TOTAL DEVELOPMENT: 2,968,000 SQ. FT.
- 2,419,000 SQ. FT. OF EXISTING SPACE TO BE DEMOLISHED.  
RESULTING IN NET INCREASE OF 549,000 SQ. FT.

## PROJECT FISCAL IMPACT

- VALUE UPON FULL BUILD-OUT ..... \$400,000,000
- SALES TAX TO CITY ..... \$ 1,254,000
- INCREMENTAL PROPERTY TAX OVER EXISTING ..... \$ 573,000
- UTILITY TAX ..... \$ 729,000
- GROSS RECEIPTS TAX ..... \$ 659,000

## EMPLOYMENT

- CONSTRUCTION EMPLOYMENT ..... 3,276
- PERMANENT DIRECT EMPLOYMENT ..... 5,034
- ADDITIONAL INDIRECT EMPLOYMENT  
(3 TO 1 MULTIPLIER) ..... 10,068
- TOTAL DIRECT x INDIRECT WAGES ..... \$407,000,000